



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 18, 2000

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Documentation of October 10, 2000 Conference Call, Assessment Review & Status of Closure & Reclamation Activities, North Lily Mining Company, Tintic Project, M/023/007, Juab County, Utah

Date of Call/Meeting: October 10, 2000
Location: Division Offices
Time of Call/Meeting: 9:45 - 10:30 a.m.
Participants: Steven Flechner, Gene Webb - North Lily Mining Company; Bob Bayer - JBR Consultants; Pam Grubaugh-Littig, Wayne Hedberg, and Doug Jensen - DOGM

Purpose of Call/Meeting: The purpose of this conference call was to document the progress that has been made at the Tintic Project site since our last conference call on September 26, 2000.

On October 10, 2000, a conference call was held between the representatives identified above to discuss the status of ongoing closure and reclamation activities at the Tintic Project site. The discussion focused on the work that has been conducted at the site since our last conference call. A summary of the discussion item details follow:

- Wayne acknowledged receipt of North Lily's recent preliminary draft post closure fluid management plan. Bob gave a brief accounting of what was contained in the document and indicated that he had only prepared hand sketches of the design plans at this point to keep the costs down to North Lily. He asked if this would be okay. Wayne said this probably would be a DWQ call.
- Bob stated that the plan did not contain a fate and transport analysis. This information was delayed because of an accident which had occurred to a staff member working on this information. He didn't believe we'd need it before we finished our review of the latest plan and provided feedback on same.
- We discussed results of water quality analyses and Bob indicated that the WAD cyanide levels were down, but still might require some pretreatment, possibly with an alkaline chlorination solution. We stated that we hadn't received the water quality analyses yet. Bob thought they had been forwarded to us, but promised to track down a copy and send to us promptly.

Page 2
Conference Call
M/023/007
October 18, 2000

- We asked Bob how soon he would finish and deliver the final design for the post-closure plan to our agencies. Bob said it would probably take him another week to finalize the design plans once he received our latest review comments on the preliminary plan. He thought this could be accomplished by the end of the month, if he received our comments by October 20th.
- Bob and Gene stated that the return flow from the heap was staying down around 8.5 g.p.m. through 10/9/00. He also stated that the pumps had been shut down part time due to reduced pond solution levels, but that they were being operated most of the time. The electrical system was functioning properly now as well.
- Bob also stated that he had performed a 2nd percolation test in the existing test pit. The percolation rate did decline from @20gpm to 12gpm due to the swell factor of the substrate.
- Bob stated and Steve confirmed, that they expected to have additional dollars available by the end of the week which would allow them to schedule the transport of the waste chemicals to Kennecott in the near term. Bob said they had sampled the drums and sump on the west side of the mill/process building. Data is being compiled and summarized now. They will get bids to handle these materials soon.
- Bob said he has been talking with Alan Moore of DEQ's Hazardous Waste Section regarding dealing with the Barren pond residue. The residue apparently exceeds acceptable TCLP standards for mercury. Bob stated that the pond residue is considered a Bevel exempt beneficiation waste, but has asked for Alan's recommendations on proper disposal anyway. The pond residue apparently passed all of the other TCLP test parameters successfully. North Lily hopes to use the barren pond as a construction waste repository.
- Bob said they were still awaiting feedback on the topsoil usage from DOGM and DWQ. Wayne said he would try and get an answer back to him by the end of next week.
- Bob asked for some regulatory input on preparing some loose regrading specifications for Blue Rock (North Lily's reclamation contractor) to follow. Bill Riley of Blue Rock has asked for something in writing to base his bid upon. Bob stated he would take a shot at preparing some draft specs for our review and comment.
- We ended the conference call with DOGM agreeing to type up the conference call minutes and send same to all participants. We confirmed the next conference call for October 24th at 9:30 a.m. Doug stated he and Beth Wondimu would schedule another site inspection on October 23rd to evaluate the status of onsite closure activities before the scheduled conference call.

jb
cc: Steve Flechner, NLMC
Bob Bayer, JBR
Beth Wondimu, DWQ
Pam Grubaugh-Littig, DOGM
Doug Jensen, DOGM
Tom Munson, DOGM

o:\north lily\confercall.7